



Office of Advocacy

1999 SMALL BUSINESS PROFILE: NEW YORK

By any measure, small businesses are critical to the economic well-being of New York. They create new businesses (and the new jobs that go with them); bring new and innovative services and products to the marketplace; and provide business ownership opportunities to diverse (and traditionally underrepresented) groups. These contributions are clearly established in the statistical portrait contained in this *Small Business Profile* compiled by the U.S. Small Business Administration's Office of Advocacy.

Number of Businesses. In 1998 there were 450,200 businesses with employees, of which approximately 99 percent were small businesses (fewer than 500 employees). The number of small businesses with employees increased by 0.9 percent from 446,000 in 1997. There were 522,000 self-employed persons in 1998. While there is some overlap between these two groups (firms with employees and self-employed persons), a rough calculation puts the total number of businesses at 972,200. (Sources: U.S. Dept. of Labor, Employment and Training Administration; U.S. Dept. of Commerce, Bureau of the Census; U.S. Dept. of Labor, Bureau of Labor Statistics)

Women-Owned Businesses. There were 187,000 self-employed women in 1998, representing 35.8 percent of total self-employment in the state. (Source: U.S. Dept. of Labor, Bureau of Labor Statistics)

Minority-Owned Businesses. According to the latest figures available, there were 160,751 minority-owned businesses in 1992, including 51,312 Black-owned businesses; 50,601 Hispanic-owned firms; and 63,053 firms owned by Asians, Pacific Islanders, American Indians, and Alaskan Natives. (Data may not add to the total because an owner may be a member of more than one minority group.) Of these businesses, 20,085 had employees, with employment totaling 107,500. (Source: U.S. Dept. of Commerce, Bureau of the Census)

Business Turnover. In 1998, 57,300 new employer firms were formed, 0.3 percent more than the number formed in 1997. There were 60,115 business terminations in 1998, a 5.1 percent decrease from 1997. Business bankruptcies totaled 2,300 in 1998, a 27.7 percent decrease from 1997. (Sources: U.S. Dept. of Labor, Employment and Training Administration; Administrative Office of the U.S. Courts; U.S. Dept. of Commerce, Bureau of the Census)

Employment. In 1996, businesses with fewer than 500 employees accounted for 3,570,200 employees, or 52.6 percent of the state's 6,789,500 private-sector non-farm employment. Small-business employment was concentrated in the following sectors: construction, agricultural services, and wholesale trade (see Table 1). Small businesses added a net total of 68,000 employees between 1995 and 1996, accounting for all private non-farm employment growth in the state (see Table 2). The industries with the largest percent increases in employment among small businesses were: security and commodity brokers; engineering and management services; and health services (see Table 3). (Source: U.S. Dept. of Commerce, Bureau of the Census, Statistics of U.S. Businesses)

Recent figures show that small firm job growth has continued. According to data prepared for the SBA's Office of

Advocacy by Cognetics, Inc., non-farm businesses added 419,200 net new jobs in the state between 1994 and 1998. In almost all industries, the most prolific job creators were firms with fewer than five employees. (Source: Cognetics, Inc.)

Small Business Income. There is no single measure of small business profitability because firms may operate as sole proprietorships, partnerships, or corporations. A partial measure — non-farm proprietors' income — totaled \$49.2 billion in 1998, an increase of 5.3 percent from \$46.7 billion in 1997. (Source: U.S. Dept. of Commerce)

Finance. The SBA's Office of Advocacy ranked the 152 banks in the state that filed "call reports" with federal banking regulators on the basis of dollar value, number, and percentage of small commercial loans (under \$1 million) outstanding on June 30, 1998. (See Table 4 for the top-ranking small-business-friendly banks.) In addition to these banks, small businesses seeking loans should consider lenders that participate in the SBA's loan programs (so-called "preferred" or "certified" lenders); for a list of these lenders, call the Small Business Answer Desk at (800) 827-5722. Small businesses looking for qualified investors can also turn to the Access to Capital Electronic Network (ACE-Net). For more information, visit www.ace-net.org

To learn more about the Office of Advocacy's data, analyses, and research reports on small business, call (202) 205-6530 or visit the office's Web site at www.sba.gov/advo.

TABLES

Table 1. Employment by Industry and Firm Size, 1996 (thousands)

<i>Industry</i>	<i>Total</i>	<i>Firm Size by Number of Employees</i>		<i>< 500 as Percent of Industry Total</i>
		<i>1-19</i>	<i>1-499</i>	
Total non-farm employment	6,789.5	1,359.7	3,570.2	52.6
Agricultural services	25.1	15.6	21.7	86.2
Mining	5.5	0.9	2.5	46.1
Construction	231.9	117.0	219.3	94.6
Manufacturing	920.5	92.4	446.2	48.5
Transportation, communications, and utilities	428.9	48.0	155.1	36.2
Wholesale trade	462.4	135.5	335.7	72.6
Retail trade	1,183.1	311.9	635.3	53.7
Finance, insurance, and real estate	768.5	129.5	308.9	40.2
Services	2,760.9	506.9	1,442.7	52.3
Unclassified	2.7	2.2	2.7	100.0

Source: U.S. Dept. of Commerce, Bureau of the Census.

Table 2. Non-Farm Job Gains and Losses by Firm Size, 1995–1996 (thousands)

	<i>Total</i>	<i>Firm Size</i>	
		<i>1–19</i>	<i>1–499</i>
Gains:			
New establishments	381.6	120.8	221.8
Expanding establishments	635.5	204.9	411.8
Losses:			
Downsized establishments	(632.4)	(129.2)	(349.4)
Closed establishments	<u>(340.0)</u>	<u>(108.7)</u>	<u>(216.2)</u>
Net change in employment	44.7	87.8	68.0

Source: U.S. Dept. of Commerce, Bureau of the Census, Statistics of U.S. Businesses, 1999.

Table 3. Fastest Small Business Employment Growth by Industry, 1995–1996 (thousands)

<i>Industry</i>	<i>SIC</i>	<i>Small Business Employment 1996</i>	<i>Net Change*</i>	<i>Percent Change</i>
Total, all industries		3,570.2	(3.3)	(0.1)
Security and commodity brokers	6200	48.4	7.1	17.2
Engineering and management services	8700	133.0	3.3	2.6
Health services	8000	336.1	8.0	2.4
Local and interurban passenger transit	4100	40.8	0.9	2.2
Industrial machinery and equipment	3500	40.0	0.7	1.9

* Net change in Table 2 differs by definition from net change in Table 3. Table 2 uses dynamic data to track changes in individual businesses over time, whereas Table 3 uses static data to take snapshots of the universe of businesses at two different points in time.

Note: Table shows the top five industries. Includes only businesses with fewer than 500 employees. Industries with less than 1 percent change in small business employment are not included.

Source: U.S. Dept. of Commerce, Bureau of the Census, Statistics of U.S. Businesses, 1999.

Table 4. Small-Business-Friendly Banks, 1998

<i>Bank Name</i>	<i>Location</i>
National Bank	Geneva
Solvay Bank	Solvay
Ellenville National Bank	Ellenville
Wyoming City Bank	Warsaw
Cho Hung Bank of New York	New York
Suffolk City National Bank	Riverhead
BSB Bank and Trust Company	Binghamton
State Bank of Long Island	New Hyde Park
First National Bank of The Hudson Valle	Poughkeepsie
Adirondack Bank National Association	Saranac Lake
Adirondack Trust Company	Saratoga Springs
Great Eastern Bank	Flushing
Habib American Bank	New York
Manufacturers and Traders Trust Company	Buffalo

Source: U.S. Small Business Administration, Office of Advocacy, from data collected by the Federal Reserve Board.

The full list of small-business-friendly banks can be found on the Office of Advocacy's Web site at www.sba.gov/advo/lendinginus2.html.